

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF DELTA NATURAL)	
GAS COMPANY, INC. FOR AN ORDER)	CASE NO.
AUTHORIZING THE ISSUANCE OF UP TO)	89-213
200,000 SHARES OF COMMON STOCK)	

O R D E R

On July 31, 1989, Delta Natural Gas Company, Inc. ("Delta") filed an application seeking authority to issue and sell to its shareholders up to 200,000 shares of its authorized but unissued common stock pursuant to its Dividend Reinvestment and Stock Purchase Plan. Delta would use the proceeds from the sale of the common stock for general corporate purposes and its continuing construction program.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that the issuance and sale of the above securities by Delta are for the lawful objects within the corporate purposes of Delta's utility operations, are necessary and appropriate for and consistent with the proper performance of its service to the public, and will not impair its ability to perform that service, and are reasonably necessary and appropriate for such purpose and should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. Delta be and it hereby is authorized to issue, sell, and deliver, subsequent to the issuance of this Order, up to 200,000

shares of its common stock pursuant to its Dividend Reinvestment and Stock Purchase Plan as set forth in the application.

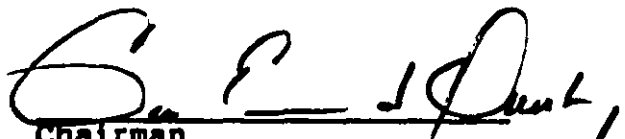
2. The proceeds from the transactions authorized herein shall be used only for the lawful purposes as set out in the application.

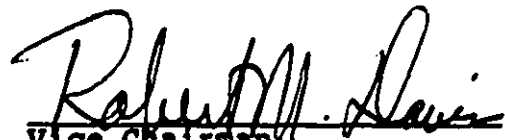
3. Delta shall, as soon as reasonably possible after the issuance of the securities referred to herein, file with the Commission a statement setting forth the date or dates of issuance of the securities authorized herein, the price paid, and all fees and expenses, including underwriting discounts or commissions or other compensation, involved in the issuance and distribution.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 21st day of September, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director